

April 2000



# North Dakota REV-E-NEWS

**From Rod Backman, Director  
Office of Management and Budget  
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March was a great month for revenues. Collections exceeded monthly projections by \$9.5 million or 18.1 percent, which brings our biennium-to-date overage to \$14.3 million. The projected ending balance for the 1999-01 biennium is now \$43.7 million.

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*March was a great month for revenues.*

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RFA expects oil prices to weaken into the \$20 - \$25 per barrel range by this time next year as the U.S. economy and oil consumption softens.

1999 fourth quarter taxable

sales and purchases were up 4.2 percent over the same period one year ago. For the first time in North Dakota history, North Dakota retailers posted more than \$1 billion in taxable sales and purchases.

North Dakota's unemployment rate in February was 3.6 percent compared to the national unemployment rate of 4.1 percent. Nonagricultural wage and salary employment was up over the year in eight of the nine industries with the largest gain in the construction industry. Wholesale trade was the only industry with a decline over the year.

## Oil Activity

North Dakota has 11 rigs operating compared to two one year ago. Oil production in February averaged approximately 90,599 barrels of oil per day. The forecasted production for February was 92,076 barrels per day.

The current price of oil is approximately \$21.50 per barrel. North Dakota sweet crude aver-

aged \$25.76 in March, compared to the forecast price of \$11.12 per barrel.

Comments or Questions???

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**STATEMENT OF GENERAL FUND REVENUES AND FORECASTS**  
**1999-01 BIENNIUM**  
**MARCH, 2000**

REVENUES AND TRANSFERS	FISCAL MONTH				BIENNIUM TO DATE			
	Legislative Forecast	Actual	Variance	Percent	Legislative Forecast	Actual	Variance	Percent
Sales Tax	\$ 18,856,100.00	\$ 20,839,634.50	1,983,534.50	10.5%	\$ 231,448,500.00	\$ 231,509,042.55	60,542.55	0.0%
Motor Vehicle Excise Tax	4,525,100.00	5,517,289.34	992,189.34	21.9%	39,439,300.00	40,909,506.58	1,470,206.58	3.7%
Individual Income Tax	4,494,000.00	4,500,281.04	6,281.04	0.1%	115,850,000.00	122,402,026.03	6,552,026.03	5.7%
Corporate Income Tax	3,005,000.00	4,976,152.17	1,971,152.17	65.6%	29,809,000.00	23,796,630.38	(6,012,369.62)	-20.2%
Insurance Premium Tax	4,400,000.00	5,611,525.89	1,211,525.89	27.5%	12,960,000.00	14,106,385.53	1,146,385.53	8.8%
Financial Institutions Tax	386,000.00	259,688.16	(126,311.84)	-32.7%	695,000.00	(129,870.84)	(824,870.84)	-118.7%
Oil & Gas Production Tax	897,000.00	2,410,667.32	1,513,667.32	168.7%	8,054,000.00	13,464,487.53	5,410,487.53	67.2%
Gaming Tax	38,000.00	248,333.21	210,333.21	553.5%	8,721,000.00	9,353,547.97	632,547.97	7.3%
Interest Income	471,000.00	665,144.48	194,144.48	41.2%	3,943,000.00	4,631,715.95	688,715.95	17.5%
Oil Extraction Tax	549,000.00	1,338,755.71	789,755.71	143.9%	4,901,000.00	8,916,974.85	4,015,974.85	81.9%
Cigarette and Tobacco Tax	1,652,000.00	1,936,720.35	284,720.35	17.2%	16,324,000.00	16,262,198.44	(61,801.56)	-0.4%
Departmental Collections	970,000.00	1,151,543.20	181,543.20	18.7%	13,310,000.00	13,645,536.68	335,536.68	2.5%
Wholesale Liquor Tax	362,275.00	395,284.36	33,009.36	9.1%	3,397,608.00	3,487,906.06	90,298.06	2.7%
Coal Severance Tax	911,000.00	903,893.13	(7,106.87)	-0.8%	8,533,000.00	8,508,622.19	(24,377.81)	-0.3%
Coal Conversion Tax	1,003,000.00	1,041,694.48	38,694.48	3.9%	9,239,000.00	9,327,954.08	88,954.08	1.0%
Mineral Leasing Fees	199,760.00	344,598.95	144,838.95	72.5%	1,919,280.00	2,488,871.55	569,591.55	29.7%
Bank of North Dakota - Transfer					15,000,000.00	15,000,000.00	0.00	0.0%
State Mill and Elevator - Transfer								
Gas Tax Admin. - Transfer					517,728.00	517,728.00	0.00	0.0%
Other Transfers		42,648.22	42,648.22	100.0%	1,700,000.00	1,893,267.05	193,267.05	11.4%
<b>Total Revenues and Transfers</b>	<b>42,719,235.00</b>	<b>52,183,854.51</b>	<b>9,464,619.51</b>	<b>18.1%</b>	<b>525,761,416.00</b>	<b>540,092,530.58</b>	<b>14,331,114.58</b>	<b>2.7%</b>

**COMPARISON TO PREVIOUS BIENNIUM REVENUES**  
**1999-01 BIENNIUM**  
**MARCH, 2000**

REVENUES AND TRANSFERS	FISCAL MONTH				BIENNIUM TO DATE			
	March, 1998	March, 2000	Variance	Percent	1999	2001	Variance	Percent
Sales Tax	\$ 18,939,575.56	\$ 20,839,634.50	\$ 1,900,058.94	10.0%	\$ 207,765,583.22	\$ 231,509,042.55	\$ 23,743,459.33	11.4%
Motor Vehicle Excise Tax	7,673,696.92	5,517,289.34	(2,156,407.58)	-28.1%	36,812,186.58	40,909,506.58	4,097,320.00	11.1%
Individual Income Tax	4,308,140.19	4,500,281.04	192,140.85	4.5%	110,912,861.05	122,402,026.03	11,489,164.98	10.4%
Corporate Income Tax	4,793,825.21	4,976,152.17	182,326.96	3.8%	37,255,896.41	23,796,630.38	(13,459,266.03)	-36.1%
Insurance Premium Tax	6,291,397.59	5,611,525.89	(679,871.70)	-10.8%	13,040,840.50	14,106,385.53	1,065,545.03	8.2%
Financial Institutions Tax	374,580.00	259,688.16	(114,891.84)	-30.7%	751,985.89	(129,870.84)	(881,856.73)	-117.3%
Oil & Gas Production Tax	2,140,892.82	2,410,667.32	269,774.50	12.6%	12,433,066.53	13,464,487.53	1,031,421.00	8.3%
Gaming Tax	37,846.63	248,333.21	210,486.58	556.2%	8,720,730.84	9,353,547.97	632,817.13	7.3%
Interest Income	468,627.90	665,144.48	196,516.58	41.9%	5,724,103.50	4,631,715.95	(1,092,387.55)	-19.1%
Oil Extraction Tax	1,133,200.45	1,338,755.71	205,555.26	18.1%	7,921,117.88	8,916,974.85	995,856.97	12.6%
Cigarette and Tobacco Tax	1,728,823.45	1,936,720.35	207,896.90	12.0%	17,125,866.58	16,262,198.44	(863,668.14)	-5.0%
Departmental Collections	971,780.69	1,151,543.20	179,762.51	18.5%	13,312,854.90	13,645,536.68	332,681.78	2.5%
Wholesale Liquor Tax	382,083.55	395,284.36	13,200.81	3.5%	3,955,389.74	3,487,906.06	(467,483.68)	-11.8%
Coal Severance Tax	1,394,240.85	903,893.13	(490,347.72)	-35.2%	8,355,350.09	8,508,622.19	153,272.10	1.8%
Coal Conversion Tax	959,227.83	1,041,694.48	82,466.65	8.6%	8,921,771.66	9,327,954.08	406,182.42	4.6%
Mineral Leasing Fees	261,728.54	344,598.95	82,870.41	31.7%	4,122,721.98	2,488,871.55	(1,633,850.43)	-39.6%
Bank of North Dakota - Transfer						15,000,000.00	15,000,000.00	100.0%
State Mill and Elevator - Transfer								
Gas Tax Admin. - Transfer					423,327.00	517,728.00	94,401.00	22.3%
Other Transfers	(17,572.38)	42,648.22	60,220.60	-342.7%	9,977,752.24	1,893,267.05	(8,084,485.19)	-81.0%
<b>TOTAL REVENUES AND TRANSFERS</b>	<b>\$ 51,842,095.80</b>	<b>\$ 52,183,854.51</b>	<b>\$ 341,758.71</b>	<b>0.7%</b>	<b>\$ 507,533,406.59</b>	<b>\$ 540,092,530.58</b>	<b>\$ 32,559,123.99</b>	<b>6.4%</b>

## Revenue Variances

Sales tax collections exceeded March projections by nearly \$2 million or 10.5 percent. The sales tax shortfalls earlier this year have now been made up and the biennium-to-date collections are \$60,543 ahead of projections.

Motor vehicle excise tax collections exceeded projections by nearly \$1 million or 21.9 percent. Biennium-to-date collections are now \$1.5 million or 3.7 percent ahead of projections.

Individual income tax collections were very close to projections, exceeding the forecast for the month by only \$6,281 or 0.1 percent. Biennium-to-date collections are now \$6.6 million or 5.7 percent ahead of projections.

Corporate income tax collections ex-

ceeded projections by \$2.0 million or 65.6 percent. Biennium-to-date collections are now \$6.0 million or 20.2 percent below projections.

Oil and gas production tax collections exceeded projections for the month by \$1.5 million or 168.7 percent. Oil extraction collections exceeded projections for the month by \$789,756 or 143.9 percent. Biennium-to-date collections for the two oil taxes combined are now \$9.4 million ahead of projections.



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